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WC 06-194

FILED/ACCEPTED

OCT 2 0 2006

Federal Communications Commission Office of the Secretary

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

In the Matter of Petition of Autotel)
pursuant to Section 252(e)(5) of the)
Communications Act for Preemption of the)
Jurisdiction of the Arizona Corporation)
Commission Regarding Arbitration of an)
Interconnection Agreement with Citizens)
Utilities Rural Company, Inc.	À

PETITION FOR PREEMPTION

Pursuant to Section 252(e)(5) of the Communications Act, Autotel hereby petitions for preemption of the jurisdiction of the Arizona Corporation Commission regarding a Bona Fide Request for and Request for Termination fo Exemption, as well as a Petition for Arbitration, both regarding Citizens Utilities Rural Company, Inc. This Petition is supported by the affidavit of Richard L. Oberdorfer, President of Autotel, and the Arizona Commission orders dismissing the Request and the Petition, both attached to this Petition.

POINTS AND AUTHORITIES

Section 252(b) of the Act provides:

- (4) Action by State Commission
- (C) The State commission shall resolve each issue set forth in the petition and the response, if any, by imposing appropriate conditions as required to implement subsection (c) of this section upon the parties to the agreement, and shall conclude the resolution of any unresolved issues not late than 9 months after the date on which the local exchange carrier received the request under this section.

Section 252(b)(4)(C) gives a State commission nine months after the date the LEC receives the request to resolve <u>each</u> issue set forth in the petition and the response.

As explained in the Affidavit of Richard L. Oberdorfer accompanying this Petition,
PETITION FOR PREEMPTION - PAGE 1

Autotel is a small CMRS company which provides wireless service in Nevada. On November 21, 2005, Citizens received Autotel's request for interconnection negotiations, and on that date Autotel filed with the ACC its Notice of Bona Fide Request and Request for Termination of Exemption. Thereafter, Citizens refused to negotiate an interconnection agreement with Autotel.

On March 23, 2006, the ACC dismissed Autotel's Request for Termination of Exemption, with prejudice, without addressing the issues raised therein.

On April 7, 2006, Autotel filed with the Arizona Commission a Petition for Arbitration pursuant to Section 252(b) of the Communications Act.

On July 28, 2006, the Arizona Commission granted Citizens' Motion to Dismiss the Petition, with prejudice, without addressing the issues raised therein.

In dismissing these matters, the Commission did not resolve the unresolved issues between the parties. The Commission did not schedule any proceeding in order to complete its duties under section 252(b)(4). The Commission requested no information from either party necessary for resolution of the unresolved issues. The Commission did not make a determination as to whether the contract language proposed by Autotel meets the requirements of section 251 and the regulations. At least nine months has elapsed since Citizens received the request for negotiation of an interconnection agreement.

The situation is akin to that in In re Petition of MCI for Preemption Pursuant to Section 252(e)(5) of the Telecommunications Act of 1996, 12 F.C.C.R., 15594. In that case the FCC explained that a state agency can fail to act under section 252(e)(5) even if it has issued an arbitration order, if that order is a general dismissal that does not resolve all issues "clearly and specifically" presented to it. Id. at 27. See also Global NAPS, Inc. v. Federal Communications Commission, 291 F.3d 832 (D.C. Cir. 2002) ("The FCC's interpretation thus suggests that only if PETITION FOR PREEMPTION - PAGE 2

the state commission either does not respond to a request, or refuses to resolve a particular matter raised in a request, does preemption become a viable option") (emph. added).

The statutory nine-month limit to resolve open issues has elapsed. None of the open issues have been resolved by the ACC. The ACC incorrectly found that there is in effect an interconnection agreement between the parties that addresses the issues that were raised.

Respectfully submitted October 16, 2006

Marianne Dugan, aftorney

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Fax (541) 686-2137

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

In the Matter of Petition of Autotel	}
pursuant to Section 252(e)(5) of the	í
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Jurisdiction of the Arizona Corporation	í
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Exemption and Arbitration of an	ì
Interconnection Agreement with Citizens	í
Utilities Rural Company, Inc.)

AFFIDAVIT OF RICHARD L OBERDORFER

- I, Richard L. Oberdorfer, being duly sworn, deposes and says:
- 1. I own two small CMRS companies, Western Radio Services Co. (Western) which provides wireless service in Oregon and Autotel which provides wireless service in Nevada.
- 2. I am the person which represents both companies in interconnection negotiations with ILECs and sometimes I represent those companies in Arbitration proceedings before State Commissions.
- 3. November 21, 2005 is the date that Citizens Utilities Rural Company, Inc. (Citizens) received Autotel's request for interconnection negotiations. On that same day Autotel filed with the Arizona Corporation Commission (ACC) its Notice of Bona Fida Request and Request for Termination of Exemption.
- 4. Thereafter, Citizens refused to negotiate an interconnect agreement with Autotel.
- 5. On January 6, 2006, Citizens filed with the ACC its Motion to Dismiss the Termination of Exemption proceeding initiated by the ACC.
- 6. On March 23, 2006, the ACC dismissed Autotel's Request for Termination of Exemption with prejudice.
- 7. On April 7, 2006, I filed with the ACC a Petition for Arbitration under Section 252(b) on behalf of Autotel.

- 8. On May 1, 2006, Citizens filed a Response which included a Motion to Dismiss the Petition.
- 9. On July 28, 2006 the ACC granted the Citizens Motion to Dismiss with prejudice.
- 10. The Commission has not scheduled any proceeding in order to complete its duties under section 252(b)(4) The Commission has not requested any information from either party necessary for resolution of the unresolved issues. The Commission has not made a determination as to whether the contract language proposed by Autotel meets the requirements of section 251 and the regulations. At least 9 months has elapsed since the date on which the non-requesting party received the request for negotiation of an interconnection agreement.

I declare under the penalty of perjury that the above is true and correct and this Affidavit was executed on the 2_2 th day of August, 2006 in Bend, Oregon.

Richard L. Oberdorfer

Subscribed and sworn to before me this 22 day of August, 2006

Notary Public for Oregon
My Commission Expires:

OFFICIAL SEAL
GLORIA CARROLL
NOTARY PUBLIC-OREGON
COMMISSION NO. 390756
MY COMMISSION EXPIRES MAR. 17, 2009



BEFORE THE ARIZONA CORPORATION COMMISSION DOCKETED COMMISSIONERS MAR 2 3 2006 3 JEFF HATCH-MILLER, Chairman WILLIAM A MUNDELL DOCKETED BY MARC SPITZER MIKE GLEASON KRISTINK MAYES 6 IN THE MATTER OF THE REQUEST OF DOCKETNO, T-01954B-05-0852 AUTOTEL FOR INTERCONNECTION SERVICES AND NETWORK ELEMENTS WITH CITIZENS UTILITIES RURAL COMPANY, INC. AND FOR 8 68605 AW INQUIRY BY THE ARIZONA DECISION NO. CORPORATION COMMISSION AND 9 TERMINATION OF THE EXEMPTION OF CITIZENS UTILITIES RURAL COMPANY, INC. 10 PURSUANT TO SECTION 251(f)(1)(B) OF THE **OPINION AND ORDER** TELECOMMUNICATIONS ACT OF 1996. 11 DATE OF HEARING: December 12, 2005 (procedural conference); February 12 6,2006 (date scheduled for oral argument) 13 PLACE OF HEARING: Phoenix, Arizona ADMINISTRATIVE LAW JUDGE: Amy Bjelland APPEARANCES: Richard Oberdorfer, President of Autotel; 16 Kevin Saville, Associate General Counsel, Citizens Communications: and 17 Maureen Scott, Staff Attorney, Legal Division, on 18 behalf of the Utilities Division of the Arizona Corporation Commission. 19 BY THE COMMISSION: 20 On November 21, 2005, Autotel filed with the Arizona Corporation Commission 21 ("Commission") a Notice of its Bona Fida Request for interconnection, services and network 22 elements with Citizens Utilities Rural Company, Inc. ("Citizens") pursuant to A.A.C. R14-2-1505 23 and Section 252(b) of the Communications Act of 1934, as amended by the Telecommunications Act 24 of 1996 ("the Act") and for an inquiry by the Commission and termination of the exemption of 25 Citizens pursuant to section 251(f)(1)(B) of the Telecommunications Act of 1996. 26 Pursuant to the Act, the Commission must act on the request within 120 days. The timeclock 27 was suspended by Procedural Order on December 16,2005. 28

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On December 12, 2005, pursuant to Procedural Order, a procedural conference was held. Two legal issues were discussed at the conference. The first issue discussed was whether Autotel is precluded from filing the application in this docket due to its pending appeal in Decision No. 67273 (October 5, 2004). The second issue relates to the rationale or necessity of terminating Citizens' exemption under the Act with regard to the requested Interconnection Agreement.

On February 6,2006, pursuant to Procedural Order, a procedural conference was held for the purpose of oral argument. Richard Oberdorfer, President of Autotel, unexpectedly failed to make an appearance. Monica Davis, office manager for Mr. Oberdorfer, was present via telephone on behalf of Autotel, but stated that she is not an attorney. Counsel for Citizens and counsel for the Commission's Utilities Division ("Staff") were both present.

At the time appointed for oral argument, Ms. Davis stated that Mr. Oberdorfer was out of the country and Autotel was satisfied with the existing record and would not object to going forward solely on the pleadings filed in the docket.

On February 6, 2006, by Procedural Order, the parties were notified that unless an objection was filed by February 15, 2006, requesting oral argument, the matter would be taken under advisement based upon the existing pleadings. No objection was filed.

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

- Autotel is a Commercial Mobile Radio Service ("CMRS") provider. This filing constitutes Autotel's first filing subsequent to its previous arbitration of an Interconnection Agreement ("ICA") with Citizens. Autotel previously filed a petition for arbitration of an ICA with Citizens on March 27, 2003. The issues raised in the petition were determined by Decision No. 67273 (October 5, 2004). According to Citizens and Staff, Autotel has refused to sign the ICA that incorporates the results of the arbitration.
- On May 5, 20025, Autotel filed a Complaint in the United States District Court for the 2. District of Arizona ("Federal Complaint") alleging that the Commission's Decision and the Approved

68605 DECISION NO.

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27 28 ICA do not comply with the Act. Citizens and the Commission have filed motions to dismiss, which remain pending with the Federal Complaint,

- 3. On November 21, 2005, Autotel filed with the Commission a Notice for interconnection, services and network elements with Citizens pursuant to A.A.C. R14-2-1505 and Section 252(b) of the Communications Act of 1934, as amended by the Act and for an inquiry by the Commission and termination of the exemption of Citizens pursuant to section 251(f)(1)(B) of the Telecommunications Act of 1996.
 - 4. Pursuant to the Act, the Commission must act on the request within 120 days.
- 5. On December 12, 2005, pursuant to Procedural Order, a procedural conference was held. Two legal issues were discussed at the conference. The first issue discussed was whether Autotel is precluded from filing the application in this docket due to its pending appeal in Decision 12 No. 67273 (October 5, 2004). The second issue relates to the rationale or necessity of terminating Citizens' exemption under the Act with regard to the requested Interconnection Agreement.
 - 6. On January 6, 2006, Autotel, Citizens and Staff filed Opening Briefs. Citizens included a Motion to Dismiss in its filing. Staffs Brief recommended that the Notice be dismissed.
 - 7, On January 20, 2006, Citizens filed a Motion to Permit Kevin Saville, Esq. to Appear Pro Hac Vice Pursuant to Rule 33, Rules of Supreme Court. This motion was granted by Procedural Order on February 7,2006.
 - 8. On January 27,2006, Autotel and Citizens filed Response Briefs.
 - 9. On February 6,2006, pursuant to Procedural Order, a procedural conference was held for the purpose of oral argument. Richard Oberdorfer, President of Autotel, unexpectedly failed to make an appearance.² Monica Davis, office manager for Mr. Oberdorfer, was present via telephone on behalf of Autotel, but stated that she is not an attorney. Counsel for Citizens and counsel for Staff were both present.
 - 10. At the time appointed for oral argument, Ms. Davis stated that Mr. Oberdorfer was out

The timeclock was suspended by Procedural Order on December 16, 2005 pending resolution of the legal issues determined herein.

Mr. Oberdorfer had specifically contacted counsel for Citizens on January 24, 2006 to request the opportunity to participate telephonically. The request was received from counsel for Citizens and granted by the Administrative Law Judge on February I, 2006.

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if the country and that Autotel was satisfied with the existing record and would not object to going forward solely on the pleadings filed in the docket.

- On February 6, 2006, by Procedural Order, the parties were notified that unless an 11. ibjection was filed by February 15, 2006, requesting oral argument, the matter would be taken under advisement based upon the existing pleadings. No objection was filed.
- Prior to reaching the issues enumerated by Autotel in this docket, we must address the 12. egal objections to the Notice raised by Citizens and Staff.
- Both Citizens and Staff argue that Autotel's Notice is essentially an attempt to ignore 13. the previous Decision and attempt to void the Decision and resulting Approved ICA by unilaterally initiating ICA negotiations under the Act. First, Citizens has not invoked the exemption provided to # under \$251(f), which provides:

(f) EXEMPTIONS, SUSPENSIONS, AND MODIFICATIONS.

(1) EXEMPTION FOR CERTAIN RURAL TELEPHONE COMPANIES

- (A) EXEMPTION. Subsection (c) of this section shall not apply to a rural telephone company until (i) such company has received a bona fide request for interconnection, services, or network elements, and (ii) the State commission determines (under subparagraph (B)) that such request is not unduly economically burdensome, is technically reasible, and is consistent with section 254 (other than subsections (b)(7) and (c)(1)(D) thereof).
- STATE TERMINATION OF EXEMPTION IMPLEMENTATION SCHEDULE. The party making a bona fide request of a rural telephone company for interconnection, services, or network elements shall submit a notice of its request to the State commission. The State commission shall conduct an inquiry for the purpose of determining whether to terminate the exemption under subparagraph (A). Within 120 days after the State commission receives notice of the request, the State commission shall terminate the exemption if the request is not unduly economically burdensome, is technically feasible, and is consistent with section 254 (other than subsections (b)(7) and (c)(1)(D) thereof). Upon termination of the exemption, a State commission shall establish an implementation schedule for compliance with the request that is consistent in time and manner with Commission regulations.

Citizens and Staff have stated concisely in their Briefs why Autotel's Notice should be dismissed. First, Autotel stated on the record that it wishes to interconnect with Citizens' network to provide wireless service in Arizona and does not seek unbundled network elements. Second, interconnection

ORDER

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IT IS THEREFORE ORDERED that Autotel's Notice of its Bona Fida Request for interconnection, services and network elements with Citizens Utilities Rural Company, Inc. is hereby 4 dismissed with prejudice.

5	IT IS FURTHER ORDERED that this Decision shall become effective immediately.
6	BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
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13	IN WITNESS WHEREOF, I. BRIAN C. McNEIL, Executive
14	IN WITNESS WHEREOF, I. BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the
15	Commission to be affixed at the Capitol, in the City of Phoenix, this 23 day of March, 2006.
16	Michelly
17	BRIANC, MCNEW
18	EXECUTIVE DIRECTOR
19	DISSENT
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68605 DECISION NO.

SERVICE LIST FOR:

AUTOTEL/CITIZENS

DOCKET NO .:

T-01945B-05-0852

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BEFORE THE ARIZON COMMISSION AIRON COMMISSION AIRON COMMISSION 2 DOCKETED COMMISSIONERS 2005 JUL 28 P 2: 30 3 JEFF HATCH-MILLER, Chairman JUL 282006 WILLIAM A. MUNDELL AZ CORP COMMISSION MIKE GLEASON COCUMENT CONTROL DOCKETED BY KRISTIN K. MAYES MR **BARRY WONG** 6 IN THE MATTER OF THE PETITION BY DOCKET NO. T-01954B-06-0232 AUTOTEL FOR ARBITRATION OF THE 7 INTERCONNECTION AGREEMENT WITH CITIZENS UTILITIES RURAL COMPANY, INC. PROCEDURAL ORDER 8 PURSUANT TO SECTION 252(b) OF THE TELECOMMUNICATIONS ACT. 9 BY THE COMMISSION: 10 On April 7, 2006, Autotel filed with the Arizona Corporation Commission ("Commission") a 11 Petition for Arbitration of a proposed interconnection agreement ("ICA") with Citizens Utilities 12 Rural Company, Inc. ("Citizens") pursuant to A.A.C. R14-2-1505 and Section 252(b) of the 13 Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("the Act"). 14 On May 2, 2006, Citizens filed its Response and Motion to Dismiss Autotel's Arbitration 15 Request. Commission Rule R14-3-101 provides that, where neither the law nor Commission rules set 16 forth procedure to be followed, the Arizona Rules of Civil Procedure shall govern. As neither the 17 law, nor Commission rule provides procedure for a Motion to Dismiss, we turn to the Arizona Rules 18 of Civil Procedure and considered Citizens' filing as a motion to dismiss Autotel's petition for failure 19 to state a claim upon which relief can be granted pursuant to Ariz. R. Civ. P. 12(b)(6). 20 On May 9, 2006, a date for oral argument and various filing deadlines were set. 21 On May 16, 2006, Autotel filed its Reply to Citizens' Motion to Dismiss. 22 On May 23, 2006, Citizens filed its Response. 23 On June 5, 2006, a hearing for the purpose of oral argument convened before a duly appointed 24 Administrative Law Judge of the Commission. Richard Oberdorfer, President of Autotel, appeared 25 by telephone on Autotel's behalf. Robert Metli and Kevin Saville appeared by telephone on behalf of 26 27 Pursuant to the Act, the Commission must arbitrate the issues set forth in the Petition no later than the statutory nine 28

month deadline, in this case, August 21, 2006.

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Citizens. Mr. Oberdorfer and Mr. Saville made arguments relating to Citizens' motion to dismiss.

Background

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This docket represents Autotel's third petition for an ICA with Citizens in three years. Autotel and Citizens are parties to an unexecuted ICA that was drafted in accordance with the issues raised and decided in Docket No. T-03234A-03-0188 ("Original Petition"), Decision No. 67273 (October 5, 2004). Autotel refused to execute the ICA that incorporated the results of the Original Petition. Tr. at 7.

On November 21, 2005, in Docket No. T-01954B-05-0852, Autotel filed its Second Petition with the Commission². The Commission determined in Decision No. 68605 (March 23, 2006), that Autotel was precluded from filing its Second Petition due to its pending appeal of the outcome of the Original Petition in the United States District Court for the District of Arizona.³ The Commission dismissed Autotel's Second Petition with prejudice, admonishing Autotel "for its waste of administrative and judicial resources in filing this Notice while its Federal Complaint remains pending and while it has failed to make use of its Approved ICA...[Ilt is our hope that Autotel will take this admonishment into account for purposes of future filings...."

At oral argument in the instant matter, Mr. Oberdorfer stated Autotel's position "that the can terminate this proceeding and let the parties take the remedies under the Act." Id. at 5. Mr. Oberdorfer stated that the federal suit remains pending, and that it is Autotel's position that Citizens did not prepare the ICA in accordance with the Decision arising from the Original Petition. Id. at 6. Mr. Oberdorfer added that the ICA "does not provide for the interconnection of Autotel's equipment." Id. at 7, 8. He further argued that under the Act, the duty to negotiate is continuous, and stated that "we really don't have an agreement" with Citizens, but "a Commission arbitration decision which is disputed." Id. at 9.

Mr. Saville argued that "the law is clear that competitive carriers like Autotel can't go through

² In the Matter of the Request of Autotel for Interconnection, Services and Network Elements with Citizens Utilities Rural Company, Inc. and for an Inquiry by the Commission and Termination of the Exemption of Citizens Pursuant to Section 251(f)(1)(B) of the Telecommunications Act of 1996 ("Second Petition").

Citizens and the Commission have filed motions to dismiss, which remain pending with the federal court. ⁴ Decision No. 68605, ¶14.

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an arbitration proceeding and then decide at the end of the day after the arbitration that it is not happy with the results, and then seek to start the process over again by either opting into another interconnection agreement or re-starting the arbitration...[Autotel is asking the Commission] to start the process all over again and in affect [sic] disregard the [Original Petition]." Id. at 11, 12.

It is clear that Autotel is unhappy with the outcome of its Original Petition, as Mr. Oberdorfer has stated on the record, and Autotel has taken steps for redress by filing with the federal court for relief. Autotel's insistence in continuing to file successive petitions with the Commission is perplexing in light of the outcome of the Second Petition, which admonished Autotel for prematurely requesting arbitration of an ICA while the initial ICA sits idle pending the outcome of Autotel's federal appeal. The parties agreed on the record that there is language in the ICA arising from the Original Petition that allows the parties to amend the ICA through mutual agreement. Also, the federal appeal may resolve the issue for the parties.

Consistent with Decision No. 68605, Autotel's Petition for arbitration of an ICA with Citizens should be dismissed with prejudice.

IT IS THEREFORE ORDERED that Autotel's Petition in the instant docket shall be, and hereby is, dismissed with prejudice.

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Dated this 28 day of July, 2006

Copies of the foregoing mailed/delivered this ____ day of July, 2006 to:

114 North East Penn Avenue Bend, OR 97701

Kevin Saville

Associate General Counsel
CITIZENS UTILITIES RURAL COMPANY, INC.
2378 Wilshire Blvd.

Mound, MN 55364

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Christopher Kempley, Chief Counsel Legal Division ARIZONA CORPORATION COMMISSION 1200 West Washington Street Phoenix, AZ 85007 Ernest G. Johnson, Director **Utilities Division** ARIZONA CORPORATION COMMISSION 1200 West Washington Phoenix, AZ 85007 By: Molly Johnson Secretary to Amy Bjelland

CERTIFICATE OF SERVICE

I, Marianne Dugan, hereby certify that on October 16, 2006, I sent the foregoing document via email to the staff person of the FCC identified in the attached service list and to the FCC's duplicating contractor Best Copy and Printing, Inc., by sending it to:

Janice M. Myles Wireline Competition Bureau Federal Communications Commission janice.myles@fcc.gov

Best Copy and Printing, Inc. c/o Federal Communications Commission fcc@bcpiweb.com

and sent it via First Class United States Mail, postage prepaid, on the other addresses listed below:

Office of the Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Arizona Corporation Commission 1200 West Washington Phoenix, AZ 85007-2996

Kevin Saville, Associate General Counsel Frontier/Citizens Communications 2378 Wilshire Blvd. Mound, MN 55364

Marianne Dugan